

2007 ANNUAL REPORT

MSHDA

Michigan State Housing Development Authority

BOOK OF DREAMS: A BRIEF LOOK AT BUILDING
THE AMERICAN DREAM



INVESTING IN THE PEOPLE OF MICHIGAN – ONE COMMUNITY AT A TIME



PREFACE.....page 3

CHAPTER 1: WHO IS MSHDA?.....page 4

CHAPTER 2: WHERE WE’VE BEEN.....page 6

CHAPTER 3: LOOKING AHEAD.....page 11

CHAPTER 4: MSHDA BOARD MEMBERS.....page 15

CHAPTER 5: THE FINANCES.....page 16

OVERVIEW: PROGRAM INDEX.....page 21



PREFACE

For more than 41 years, the Michigan State Housing Development Authority (MSHDA) has been providing assistance to Michigan residents. This year was no exception, with record **homeownership loans** being administered for first-time homebuyers. In an effort to keep young professionals in Michigan's working economy, MSHDA – along with Governor Granholm – created the Graduate Purchase Assistance (GPA) Program to offer below-market rate loans to recent college graduates. MSHDA assisted counties across Michigan in creating **10-year plans to end homelessness**. These 60 plans, which cover all 83 Michigan counties, were revealed at the first-ever **Summit on Ending Homelessness** with more than 600 attendees from around the state. The creation of the **Michigan Housing Locator** took a huge leap forward for rental property owners and renters by offering free online rental lookups for properties in Michigan, including subsidized properties.

Day in and day out, the staff at MSHDA and all of its partners continue to support and assist the citizens of Michigan by pushing forward the mission of the Authority – which is to provide financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing, engage in community economic development activities and address homeless issues.

MSHDA is creating a **book of dreams** for each Michigan resident – one house and one community at a time.

MSHDA's loans and operating expenses are financed through the sale of tax-exempt and taxable bonds and notes to private investors, not from state tax revenues. Proceeds of the bonds and notes are loaned at below-market interest rates to developers of rental housing, and proceeds fund home mortgages and home improvement loans. MSHDA also administers various federal housing programs.

MSHDA was established by the state Legislature in 1966 (under Public Act 346, as amended).



WHO IS MSHDA? A QUICK LOOK AT MSHDA'S DIVISIONS

EXECUTIVE

Agency administration, governmental relations, public relations, communications, market research, planning, data systems and office services

LEGAL AFFAIRS

Legal aspects of loan underwriting and bond and note sales, loan closings, reviews of administrative procedures and legislation, public hearings, Low Income Housing Tax Credit program and fair housing

FINANCE

Capital formation, financial management, accounting, audits and budgets

MULTIFAMILY

Multifamily direct loans; pass-through rental housing development loans; special housing for the developmentally disabled; and technical services including design review, construction monitoring, inspection, appraisals, environmental review, energy conservation and fire safety

HOUSING VOUCHER PROGRAMS

Housing Choice Voucher (Section 8) and other rental assistance programs, Family Self-Sufficiency Program and "Key To Own" Homeownership Program

HOMEOWNERSHIP

Loan servicing, home mortgages, mortgage credit certificates and homeownership counseling



COMMUNITY DEVELOPMENT

Neighborhood Preservation Program, technical assistance and grants to nonprofit organizations and local government, home improvement, contractor assistance and economic development

ASSET MANAGEMENT

Physical property operations of rental developments, management financial analysis, resident eligibility, portfolio program development, resale and reinvestment

COMMUNITY ASSISTANCE TEAM (CATEam)

Technical assistance related to Brownfields; Cool Cities; MainStreet; Blueprints; MSHDA Community Development Block Grant Initiatives (comprised of downtown infrastructure and planning studies); competitive downtown facade; signature building and land assembly programs

SOUTHEAST MICHIGAN DEVELOPMENT

Assistance to our partners through outreach and marketing of several MSHDA programs in the counties of Wayne, Oakland Macomb and Monroe – programs include Multifamily, tax credits, community development, Brownfield Redevelopment and preservation

SUPPORTIVE HOUSING AND HOMELESS INITIATIVES

Emergency shelter, transitional housing, rent subsidy and permanent supportive housing for homeless and special needs populations, homeless prevention, community planning for ending homelessness and related technical assistance

URBAN REVITALIZATION DIVISION

Permanent infrastructure and support to the Cool Cities and the Cities of Promise initiatives; addresses central issues to the transformation of Michigan's economy

ADMINISTRATIVE OFFICE SERVICES

Human resources, office services and information technology units





WHERE WE'VE BEEN

MSHDA has taken on a leadership role in a number of initiatives over the past year to help improve Michigan's economy and create a state focused on community development, job creation, ending homelessness, blight elimination and creating a place for residents to live safely and securely overall.

MSHDA has led the way in its 2006 - 2007 fiscal year with record numbers coming from its Homeownership division. Loan commitments have consistently increased over the last four years for the division. The division has also helped deliver the dream of homeownership to recent college graduates with the Graduate Purchase Assistance (GPA) program which offers a below market interest rate to recent graduates.

MSHDA has also been on the forefront of the Campaign to End Homelessness. In October of 2006, the first annual Summit on Ending Homeless took place. Drawing in more than 600 industry leaders to discuss the first-ever statewide plan to end homelessness in Michigan, the Summit was a huge success. With more than sixty 10-year plans to end homelessness, covering all 83 counties in the state, Michigan is set to end homelessness by the year 2016.

In order to provide support to two of Governor Granholm's priority initiatives – Cool Cities and Cities of Promise – MSHDA announced the creation of a new division, the Urban Revitalization Division. This division was created to address the issues central to the transformation of Michigan's economy.

OTHER HIGHLIGHTS

- Michigan Housing Locator Web site kicked off in December 2006 with more than 100,000 searchable rental units available to Michigan residents
- MSHDA's Homeownership Division announced partnership with REALTORS® to provide Continuing Education
- \$2.9 million in Community Development Block Grants was awarded to 18 communities in Michigan for three initiatives; Downtown Façade Improvement, Signature Building Acquisition and Land Assembly



- \$4 million was awarded to six projects statewide for the Domestic Violence Housing Initiative
- Blight Elimination Program announced, committing \$25 million over the next four years to Michigan's Cities of Promise for blight elimination within the nine cities
- MSHDA's "Living in the D" Campaign received a PACE Award of Excellence in the Campaign Category. PACE Awards are the industry awards for public relations
- Housing Choice Voucher (HCV) lease-up for very low-income families increased to 23,421 units
- Cities of Promise Web site launched
- The Office of Community Development awarded \$1.4 million in Community Development Block Grants (CDBG) to six Michigan communities for downtown rental rehabilitation
- The Family Self-Sufficiency (FSS) program aided it's 1,908th participant, which brought the total of dollars paid out in escrow accounts to successful FSS graduates to \$8,777,466
- MSHDA assisted eight Hurricane Katrina Disaster Victims through KDHP/DVP
- 539 Housing Assistance Recovery Program (HARP) new admissions in 32 Michigan counties
- Homeownership mortgage loan program financed 1,618 single-family units, representing a total investment of \$161,762,087

THE MICHIGAN HOUSING LOCATOR

(www.michiganhousinglocator.com)

The Michigan Housing Locator is a Web site devoted exclusively to putting residents in touch with property owners who specialize in affordable housing. Industry leaders – including MSHDA, Michigan Housing Council (MHC), Property Managers Association of Michigan and RentLinx – teamed up to ensure the success of the locator. Access to the Michigan Housing Locator Web site is free to both landlords and residents, and getting started is easy. Landlords follow a simple 10- to 15-minute set-up process, which involves entering all property details and amenities. An unlimited number of photos and floor plans may also be attached, as well as an application and lease. Interactive maps to property locations may also be posted. The Michigan Housing Locator Web site is available 24 hours a day, seven days a week, and can be updated at any time. Property owners and managers also have the ability to receive renter inquiries directly to their e-mail accounts, easily identify both subsidized and market-rate units and track statistics on visitors viewing their property listings. Michigan Housing Locator gives renters a full picture of properties available in their price range and will become the main source for Section 8 Voucher holders to find out which landlords will accept their vouchers.



OTHER HIGHLIGHTS

continued...

- Multifamily loan program financed 2,561 rental units in 28 developments, with a total MSHDA investment of \$127,868,084
- MSHDA distributed more than \$66 million in grants to local governments and nonprofit organizations
- Property Improvement loan program made 136 loans, totaling \$2,068,092
- MSHDA provided technical assistance to nonprofit housing organizations throughout the state with 69 contracts made to 40 different technical assistance providers
- Contractors Assistance Program (CAP) trained a total of 130 contractors in Michigan
- Authority-financed housing created approximately 2,772 jobs, paid approximately \$185 million in wages and resulted in approximately \$65 millions in taxes being collected

For most recent college grads, homeownership is a dream, not a reality.

Tuition hikes, increases in loan interest rates and rising living expenses make large investments extremely difficult for this demographic. Although homeownership seems unattainable, twenty-somethings are becoming extremely attracted to the idea of owning rather than renting.

In October of 2006, MSHDA – along with Governor Jennifer M. Granholm – announced the birth of the Graduate Purchase Assistance (GPA) program. This new program offers a 30-year, fixed-rate conventional loan at a below-market interest rates to college graduates with an associate's, bachelor's, master's or doctoral degree. Individuals must have graduated from an accredited institution within three years prior to the loan application date and meet MSHDA's sale price and income limit eligibility guidelines.

The eligible college grad's home purchase must be located within the city limits of one of the Cities of Promise which are Benton Harbor, Detroit, Flint, Hamtramck, Highland Park, Muskegon Heights, Pontiac and Saginaw. The economies of these cities, once industry based, are turning their focus to service and technology industries. New graduates, bringing fresh ideas and the latest knowledge, are ideal citizens for these promising cities.

Governor Granholm believes that the GPA program is the most promising way to keep Michigan's graduates in the state, and she hopes the low interest rates will make doing so more feasible for the college graduates.

HOMEOWNERSHIP IN MICHIGAN

MSHDA's division of Homeownership has a specific goal: develop, promote and administer programs for participating lenders and homebuyers that provide low- to moderate-income Michigan residents opportunities for homeownership. Since 2004, the division has increased production yearly on first-time mortgages and down payment assistance loans, with a 35% increase in the year 2006 (*figure 2.4*).

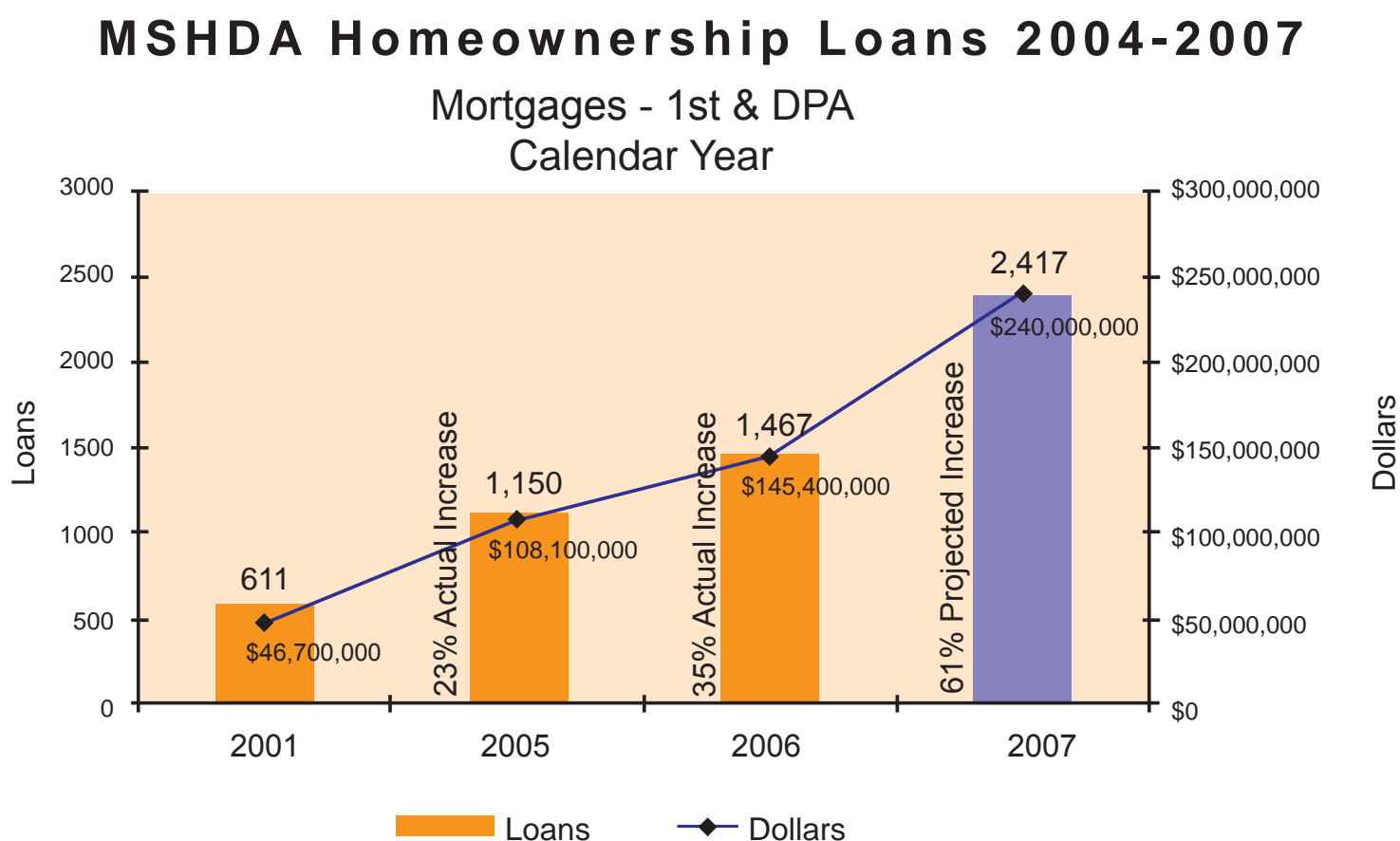


figure 2.4



2006-2007 AUTHORITY PRODUCTION

PROGRAM	# OF UNITS/GRANTS	DOLLAR AMOUNT
RENTAL		
Section 8 Housing Voucher Program	23,689	\$114,469,471.00
Low Income Housing Tax Credit (LIHTC)	2,224	\$17,759,545.00
Tax Exempt Bonds (Direct Lending)	2,561	\$127,868,084.00
Modified Pass-Through Program	947	\$54,330,000.00

HOME PURCHASE		
Homeownership (Single Family)	1,618	\$161,966,717.00

GRANT AWARDS		
Homeless Grants	321	\$37,980,104.00
Housing Resource Fund	24	\$3,052,495.00
Federal HOME Investment Partnership	22	\$7,962,690.00
Community Development Block Grants	43	\$9,351,594.00
CATeam Downtown Grants	37	\$5,296,242.00
Cities of Promise Grants	10	\$2,561,100.00

HOME IMPROVEMENT		
Property Improvement Program (owner occupied)	136	\$2,068,092.00



LOOKING AHEAD

The country's economy has changed drastically over the last year; Michigan is no exception to the changes that have occurred in the housing market and the economy as a whole. In order to actively do something about this less than-desirable situation, we have had to work on **more than just affordable housing and ending homelessness for underserved populations**. We are looking at investing in all of the people of Michigan – so they can live, work, play, raise families AND prosper in a state that provides thriving cities, towns and villages. In other words, **the goal is to create vibrant communities where Michigan residents can make all their dreams come true**.

Why do we need to change our perspective? One answer is because the households of the 21st century are different than those in the past. Less than 25 percent of all households are married couples with children. Traditional one-worker families make up less than 15 percent of households. According to responsible demographic studies, our country is dominated by the two largest generations in American history – the **Baby Boomers**, totaling 82 million people born between 1946 and 1964, and 78 million **Millennials** born between 1977 and 1996. Millennials are mostly single, highly social and often have early, unsettled careers. Our job is to attract these young, college-educated workers to our cities – but we can't do that unless we invest in those cities and also the surrounding smaller towns and villages, **making them vibrant and strong culturally and economically**. MSHDA, under the direction of the current administration, is taking a leadership role in a number of initiatives designed to do just that. In the past, we may have been known as the affordable housing people with programs to assist the homeless and those who need supportive housing, but to transform Michigan's economy we must be more than that.

That is why...

- we brought on the Community Assistance Team (CATEam) with programs aimed at community investment like Cool Cities, Michigan Main Street and Downtown Blueprints.
- our Community Development team is focusing on comprehensive strategies to improve the quality of life in neighborhoods throughout Michigan.
- initiatives have been developed and a new Urban Revitalization division was created at MSHDA, which supports two of Governor Granholm's key initiatives, Cities of Promise and Cool Cities. These initiatives focus on the revitalization of Michigan's core cities.



We are pushing programs and initiatives that may seem unconventional on the surface – but in actuality, they reflect the need to build strong communities that will, in turn, **provide future economic opportunities in the state**. When you really think about it, the changes aren't that drastic at all. We are still serving the populations we have committed to by providing them with healthy, vibrant cities, towns and villages along with an improved quality of life. At the same time, we are **helping transform Michigan's economy by investing in Michigan people**. And before we're through, Michigan will be known for its booming economy and trendy cultural atmosphere, becoming THE place to live.

IMPROVING MICHIGAN: ECONOMIC IMPACT

MSHDA is transforming the economy by creating desirable places to live and do business. Attracting home and business owners to once dilapidated downtowns is giving residents a sense of comfort and security in cities and towns that are safe and prospering. MSHDA administers more than 30 programs and is involved in numerous initiatives that address affordable housing, community development and homelessness (*figure 2.1 and 2.2*).

NEW ECONOMY JOB CREATION - 2006/2007

PROJECT	AMOUNT GENERATED BY MSHDA
Neighborhood Revitalization	1,355 units
Downtown Revitalization	248 units
Multifamily Developments	6,375 units
Home Purchase	2,228 units
Jobs Created (construction related)	43,600
Taxes Paid	\$184 million
Investment Leveraged	3:1

figure 2.2

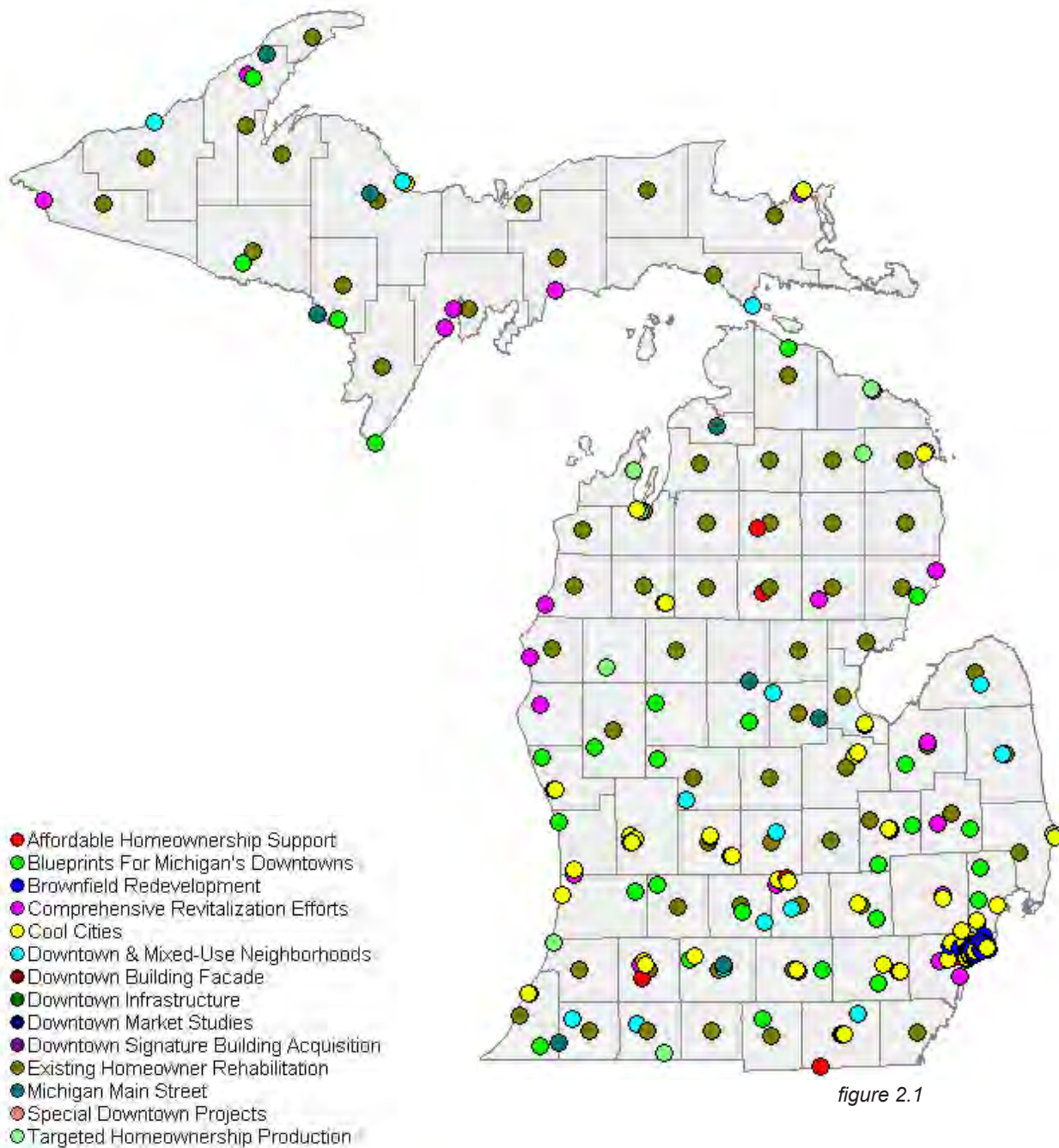


figure 2.1



NEIGHBORHOOD & DOWNTOWN REVITALIZATION IN MICHIGAN

Through downtown revitalization projects, cities throughout Michigan are able to improve their downtowns including façade improvements, building infrastructure improvements, job creation, market studies, Brownfield Redevelopment, public infrastructure projects and signature building acquisition. The Michigan Main Street program is part of MSHDA's downtown revitalization efforts. Communities seeking to have intensive year-round training in capacity-building strategies designed to create more jobs, housing and investment in their communities can apply for a Main Street grant. The Main Street program follows a four-point approach which includes; organization, promotion, design and economic revitalization.



MSHDA BOARD MEMBERS

The Authority meets once a month, generally in the Lansing Board Room at 735 East Michigan Avenue. The members provide policy direction to MSHDA staff, authorize bond issues, approve development loan commitments and evaluate programs.

Four Authority members are appointed by the Governor, with confirmation by the state Senate, for terms of four years. The remaining members are the State Treasurer, directors of the Michigan Department of Labor & Economic Growth and directors of the Michigan Department of Human Services.

BERNARD S. GLIEBERMAN

Chair

Crosswinds Communities, Inc.

ROBERT J. KLEINE

State Treasurer

Michigan Department of Treasury

MARIANNE UDOW

Director

Michigan Department of Human Services

ARCHIE CLARK

DOROTHY R. STOCKBRIDGE

Resident Member

ROBERT SWANSON

Director

Michigan Department of
Labor & Economic Growth
(July 2006-February 2007)

MARY M. FOWLIE

SR. MAUREEN GEARY, OP

Grand Rapids Dominicans

KEITH W. COOLEY

Director

Michigan Department of
Labor & Economic Growth
(March 2007-present)



THE DOLLARS AND CENTS OF IT MSHDA'S FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Michigan State Housing Development Authority (the "Authority") provides financial and technical assistance through public and private partnerships to create and preserve decent, affordable housing for low- and moderate-income Michigan residents. The Authority was created under the terms of Act 345, Public Acts of Michigan, | 966, as amended. The Authority is authorized to issue its bonds and notes to the investing public in order to create a flow of private capital through the Authority into mortgage loans to qualified housing sponsors and to certain qualified individuals.

The Authority offers a variety of programs to provide affordable housing opportunities, such as single family lending, low-interest property improvement lending, multifamily lending, mortgage credit certificates, and pass-through obligations. The following financial statements present the Authority's financial position, revenue, expenses, changes in net assets, and cash flows. The following is a condensed summary of financial information as of and for the years ended June 30, 2007, 2006, and 2005.

CONDENSED FINANCIAL INFORMATION

(in thousands of dollars)

	2007	2006	2005
Assets			
Investments	\$553,626	\$538,750	\$740,271
Loans-receivable - Net	\$2,138,174	\$1,941,650	\$1,805,564
Other assets	\$187,794	\$354,442	\$155,325
Total Assets	\$2,879,594	\$2,834,842	\$2,701,170
Liabilities			
Bonds payable	\$1,785,202	\$1,766,202	\$1,621,154
Other liabilities	\$442,088	\$448,634	\$483,637
Total Liabilities	\$2,227,290	\$2,214,836	\$2,104,791
Net Assets			
Restricted	\$266,612	\$265,313	\$268,047
Unrestricted	\$385,692	\$354,693	\$328,332
Total Net Assets	\$652,304	\$620,006	\$596,379
Revenue			
Net Investment Income	\$62,796	\$55,964	\$66,249
Federal assistance programs revenue	\$414,460	\$395,952	\$381,733
Section 8 program administrative fees	\$13,154	\$13,464	\$10,461
Contract administration fees	\$7,678	\$6,834	\$7,602
Other income	\$20,478	\$16,320	\$18,902
Total Revenue	\$518,566	\$488,534	\$484,947
Expenses			
Federal assistance programs expenses	\$414,460	\$395,952	\$381,733
Salaries and benefits	\$23,718	\$21,568	\$17,907
Other general operating expenses	\$22,010	\$24,649	\$18,957
Other expenses	\$11,406	\$6,894	\$7,050
Total Expenses	\$471,594	\$449,063	\$425,647
Grants and Subsidies	\$14,674	\$15,844	\$15,655
Change in Net Assets	\$32,298	\$23,627	\$43,645



FINANCIAL ANALYSIS

Total assets increased from \$2.83 billion at June 30, 2006 to \$2.87 billion at June 30, 2007. This was an increase of approximately \$44.7 million, or 1.6 percent. Total assets increased from \$2.70 billion at June 30, 2005 to \$2.83 billion at June 30, 2006. This was an increase of approximately \$133.7 million, or 4.9 percent.

Net loans receivable increased from \$1,941.6 million at June 30, 2006 to \$2,138.1 million at June 30, 2007. Loans receivable increased due to improved single family mortgage (net increase of \$114.2 million) and multifamily mortgage (net increase of \$86.3 million) loan production. Net loans receivable increased from \$1,805.6 million at June 30, 2005 to \$1,941.6 million at June 30, 2006. Loans receivable increased due to a single family mortgage loan balance increase of \$81.0 million and multifamily mortgage loan increase of \$56.2 million.

Bonds payable increased from \$1,766.2 million at June 30, 2006 to \$1,785.2 million at June 30, 2007, a net increase of approximately \$19.0 million. This increase was due primarily to the Authority issuing \$224.4 million of Rental Housing Revenue Bonds, while bond calls and scheduled debt service totaled \$206.9 million. Bonds payable increased from \$1,621.1 million at June 30, 2005 to \$1,766.2 million at June 30, 2006, a net increase of approximately \$145.1 million. This increase was primarily due to the Authority issuing \$220.7 million of Rental Housing Revenue Bonds and \$294.9 million of Single Family Mortgage Revenue Bonds during the fiscal year, while bond calls and scheduled debt service totaled \$370.7 million.

Escrow funds, which are recorded in other liabilities, decreased by \$2.2 million to \$345.0 million at June 30, 2007 from a year earlier due to the prepayment of multifamily developments with large reserves. Escrow funds decreased by \$42.6 million to \$347.2 million at June 30, 2006 from a year earlier, also due to the prepayment of multifamily developments with large reserves.



The Authority's net assets totaled \$652.3 million at June 30, 2007, equal to 22.7 percent of total assets and 29.3 percent of total liabilities. A significant portion of net assets is restricted. At June 30, 2007, \$266.6 million of net assets was pledged for payment against the various bond indentures. In addition, \$162.1 million is designated by board resolution, represented by the Community Development Fund. The Authority's net assets totaled \$620.0 million at June 30, 2006, equal to 21.9 percent of total assets and 28.0 percent of total liabilities. A significant portion of net assets is restricted. At June 30, 2006, \$265.3 million of net assets was pledged for payment against the various bond indentures. In addition, \$114.4 million is designated by board resolution for the Community Development Fund.

OPERATING RESULTS

Operations for the year ended June 30, 2007 resulted in excess of revenues over expenses of \$32.3 million compared to prior year results of \$23.6 million. Under the Governmental Accounting Standards Board (GASB) Statement No. 31, the Authority is required to present investments at fair market value and reflect this adjustment in the statement of revenue, expenses, and changes in net assets. This presentation decreased revenue over expenses by approximately \$356,000. Results for the year ended June 30, 2006 were positively impacted by an increase of \$2.0 million. Currently, GASB No. 31 has had a cumulative negative effect of \$1.9 million on the Authority's net assets; however, the Authority generally intends to hold these securities to maturity. Operations for the year ended June 30, 2006 resulted in excess of revenues over expenses of \$23.6 million, compared to prior year results of \$43.6 million.

Net investment income increased from \$55.9 million in 2006 to \$62.8 million in 2007, an increase of \$6.9 million. On November 16, 2005, the Authority amended a \$50 million investment with the Michigan Broadband Development Authority (MBDA) and agreed to write off approximately \$13.7 million and record \$5.1 million of previously unrealized interest income on the MBDA investment resulting in a negative impact of \$8.6 million in net investment income for June 30, 2006. In the agreement, MBDA assigned all principal and interest payments from all loans to MSHDA. Net investment income decreased from \$66.2 million in 2005 to \$55.9 million in 2006, a decrease of \$10.3 million. The positive impact of GASB No. 31 was less at June 30, 2006 (\$2.0 million) as compared to June 30, 2005 (\$3.0 million); this made for a negative differential of \$1.0 million. Gain on sale of investments increased over the prior year by \$2.3 million.



OPERATING RESULTS

continued...

Total revenue increased from \$488.5 million for the year ended June 30, 2006 to \$518.6 million for the year ended June 30, 2007, a net increase of \$30.1 million. Total revenue increased due primarily to the increase of federal assistance program revenue of \$ 18.5 million, the increase of net interest income of \$6.8 million, and an increase in preservation fees of \$4.0 million. Under the preservation program, the Authority receives a portion of excess reserves of multifamily developments and the developments' owners. Based on an agreement, the owners are permitted to borrow a portion of the excess revenue if they preserve the developments for occupancy by low-income families. The preservation fees are realized based on the timing of the agreements. Total revenue increased from \$484.9 million for the year ended June 30, 2005 to \$488.5 million for the year ended June 30, 2006, a net increase of \$3.6 million. Total revenue increased due primarily to the increase of federal assistance program revenue of \$ 14.2 million and the increase of Section 8 program administrative fees of

\$3.0 million, which were partially offset by a decrease of net investment income of \$ 10.2 million.

Total operating expenses increased from \$449.1 million for the year ended June 30, 2006 to \$421.6 million for the year ended June 30, 2007, a net increase of \$22.5 million. Total operating expenses increased due primarily to an increase in the federal assistance programs of \$18.5 million and an increase in the provision for possible losses on loans of \$4.6 million. Total operating expenses increased from \$425.6 million for the year ended June 30, 2005 to \$449.1 million for the year ended June 30, 2006, a net increase of \$23.4 million. Total operating expenses increased due primarily to an increase in federal assistance programs of \$14.2 million and an increase in salaries and benefits and other general operating expenses of \$9.4 million.



BRIEF OVERVIEW

CITIES OF PROMISE

This is an interagency initiative that aims to redevelop communities and reduce poverty. The cities are those that are experiencing sometimes devastating conditions because of declining population, extreme poverty, loss of industry and jobs, crumbling infrastructure and blighted neighborhoods. They include Benton Harbor, Detroit, Flint, Hamtramck, Highland Park, Muskegon Heights, Pontiac and Saginaw.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

The CDBG Program is designed to provide eligible local units of government with grants to address economic or downtown infrastructure, economic development planning and unique/innovative project needs.

CONTRACTOR ASSISTANCE PROGRAM (CAP)

The CAP program provides opportunities for small, minority and/or female contractors to achieve success and independence. The program operates and offers training from three strategically located offices in Grand Rapids (CAP West), Flint (CAP Central) and the Detroit area (CAP East).

COOL CITIES INITIATIVE

The Governor's Cool Cities Initiative nurtures downtown and surrounding neighborhoods that are mixed-use, pedestrian friendly, safe, clean, diverse, densely populated and function 24/7. This Initiative is a multi-faceted, multi-agency effort that emphasizes coordination and collaboration. In order for the state's overall economy to succeed, its traditional downtowns and centers of commerce must gain population, generate business opportunities and attract private investment.

DOWN PAYMENT ASSISTANCE

The Down Payment Assistance program offers up to \$7,500 for down payment assistance to eligible homebuyers. This program is available with MSHDA/ Conventional 97 percent Loan to Value (LTV), Rural Development Guaranteed or MSHDA/ Federal Housing Administration (FHA) insured first mortgages. The funds may be used toward cash requirements needed to close, including down payment, closing costs and prepaid expenses. At least one percent of the sales price must be invested from the borrower.

EMPLOYER ASSISTED HOUSING (EAH) PROGRAM

This program is a partnership initiative being targeted to potential employers across the state. This partnership is to encourage Employer Assisted Housing programs and is being funded through two existing programs – Down Payment Assistance (DPA) and Single-Family Home Mortgages.



FAMILY SELF SUFFICIENCY (FSS) PROGRAM

The FSS program is a HUD initiative that encourages HCV participants toward economic independence. MSHDA develops an Individual Training and Service Plan with HCV participants, which serves to commit them to self-sufficiency by getting a job, going to school or learning a trade. Local community agencies are involved to develop local strategies that help assisted families gain employment, acquire childcare and obtain transportation.

GRADUATE PURCHASE ASSISTANCE (GPA) PROGRAM

The GPA program is a reduced interest rate conventional loan for borrowers who have received a doctoral, master's, bachelor's or associate's degree from an accredited institution within three years prior to the date of loan application. MSHDA's Down Payment Assistance may be used with this program.

HOMELESS GRANT PROGRAM

This program awards federal and MSHDA funding to local units of government and public and private nonprofit agencies with 501c(3) status that have at least one year of experience in providing services and or shelter specifically targeted to homeless people. Applicant organizations must be actively involved in a recognized Continuum of Care planning body.

HOUSING CHOICE VOUCHER PROGRAM (HCV)

This program is funded by the U.S. Department of Housing and Urban Development (HUD) and administered by MSHDA to help eligible low-income households pay their rent. It is HUD's primary program for assisting very low-income families and elderly or disabled individuals in affording decent, safe and sanitary rental units. HCV holders can choose any rental unit in the county in which their voucher was issued that meets HUD's Housing Quality Standards (HQS) and that charges a rent consistent with HUD's established Payment Standards.



KEY TO OWN PROGRAM

This program will offer a homeownership option for families that hold a MSHDA Housing Choice Voucher (HCV). Qualified tenants will be able to use their voucher subsidy toward a mortgage on a home rather than toward their rent. The purpose of this program is to provide the HCV Participant with pre-purchase counseling and training through MSHDA's LINKS counseling network and other local partners to accomplish the goal of successful homeownership.

LINKS TO HOMEOWNERSHIP

The LINKS program assists in home purchase and homeownership counseling. The program provides pre-purchase counseling, pre-purchase credit repair assistance (not to exceed \$5,000), home maintenance training and pre-purchase home inspections.

LOW INCOME HOUSING TAX CREDIT (LIHTC)

This program, created by Congress as a part of the Tax Reform Act of 1986, as amended, is designed to assist in the creation and preservation of affordable rental housing for low-income households. This program provides a dollar-for-dollar reduction in federal tax liability for owners of and investors in qualified rental housing over a 10-year period.

NEIGHBORHOOD PRESERVATION PROGRAM (NPP)

NPP provides a comprehensive approach to neighborhood revitalization that includes funding for housing activities; as well as marketing, demolition and beautification. Requires a thorough assessment of neighborhood characteristics and a high-capacity applicant working closely with the residents and other neighborhood stakeholders; most importantly, the local unit of government.

PROPERTY IMPROVEMENT PROGRAM (PIP)

PIP was established to provide decent, sound, safe and sanitary housing for eligible residents of the State of Michigan. MSHDA offers interest rates of 4 percent to 8 percent on loans that can be used to improve homes. In addition to general remodeling, homeowners may add energy conservation improvements, make the home more accessible to a family member with physical disabilities, repair serious hazards to health and safety and/or repair damage from a declared natural disaster.

TECHNICAL ASSISTANCE PROGRAM

This program provides consultants and training to increase the housing production capacity of eligible nonprofit organizations and local units of government. Assistance is available for planning and resource development, board governance, personal/administrative management, financial management, housing development and portfolio/asset management.



**Michigan State Housing
Development Authority**

LANSING OFFICE

735 E. Michigan Avenue
P.O. Box 30044
Lansing, MI 48909
P: (517) 373-8017

DETROIT OFFICE

3028 W. Grand Boulevard
Suite 4-600
P.O. Box 02990
Detroit, MI 48202
P: (313) 456-3540

TTY: 1-800-382-4568
www.michigan.gov/mshda